

**DELAWARE HEALTH FACILITIES AUTHORITY  
MINUTES OF BOND COMMITTEE MEETING**

**BEEBE MEDICAL CENTER PROJECT, SERIES 2018**

Minutes of the Meeting of the Bond Committee (the "Bond Committee") with regard to the Beebe Medical Center, Inc. financing held on December 4, 2018, at the offices of Potter Anderson & Corroon LLP, 1313 North Market Street, 6<sup>th</sup> Floor, Wilmington, Delaware:

The Bond Committee of the Delaware Health Facilities Authority (the "Authority"), consisting of Desmond A. Baker, Vice Chairperson, Secretary, and Treasurer of the Authority; W. Jack Riddle, Assistant Secretary, Assistant Treasurer, and Vice President of the Authority, and Lisa More, Vice President of the Authority, each being a Member of the Authority, convened at 1:00 p.m. on December 4, 2018. The Bond Committee was established by Resolution of the Authority, adopted November 20, 2018 (the "Authority's Resolution"), to approve the details of a revenue bond financing for the benefit of Beebe Medical Center, Inc. (the "Hospital") as more fully described in the Authority's Resolution.

Also participating in the meeting were Chris Doyle of PFM Financial Advisors LLC ("PFM"), the Authority's Financial Advisor; Brian Carter of PFM; Matthew J. O'Toole, Esq., Alyssa L. Gerace, Esq. and Huston A. Firment, Esq. of Potter Anderson & Corroon LLP, the Authority's Counsel; and the following persons who joined the meeting by telephone at 1:30 p.m.: Emilie R. Ninan, Esq. of Ballard Spahr LLP, the Authority's Bond Counsel; Paul Pernice, Chief Financial Officer, representing the Hospital; Marcia Rigsby, representing the Hospital, Michael I. Davidson, Esq. of Turner Law, P.C., the Hospital's Counsel; John Cheney of Ponder & Co., the Hospital's Financial Advisor; Christopher Tucker of PNC Capital Markets LLC ("PNC"), representing the Underwriters (the "Underwriters"); and Thomas Foster of PNC.

The meeting and the public hearings to be conducted at the meeting were duly noticed and open to the public. No members of the public were in attendance.

Mr. Baker called the meeting to order at 1:05 p.m. and invited Ms. Doyle and Mr. Carter to present PFM's analysis of the sale. Mr. Carter presented a summary of the bond order. Ms. Doyle noted the impact to the bond market of the market closure scheduled for December 5, 2018.

Mr. Baker next invited Mr. Tucker to present the sale proposal for the Series 2018 Bonds (hereinafter defined). Mr. Tucker described the proposal and brought the following details to attention: The bond documentation will still include an existing liquidity covenant in connection with the Series 2018 Bonds requiring the Hospital to maintain 45 days' cash on hand, despite the Hospital's efforts to remove this covenant for the present bond issuance. Mr. Tucker reported that retaining this liquidity covenant attracted more investors to the bonds and enabled the Hospital to achieve a lower interest rate on the bonds. In closing, Mr. Tucker requested that the Bond Committee approve the Bond Purchase Contract to be dated December 4, 2018, between the Authority and PNC Capital Markets LLC, pursuant to which the Underwriters will purchase the Series 2018 Bonds (the "2018 Bond Purchase Agreement").

Ms. Doyle noted that the bond sale had yielded favorable results for the Hospital and stated that there were no concerns about retaining the above-referenced liquidity covenant for the Series 2018 Bonds. She further noted that the 2018 Bond Purchase Agreement provides for an underwriting discount of \$594,972.90, which is equivalent to \$3.50 per bond, and further confirmed that the terms of the Underwriters' proposal with respect to the sale of the Series 2018 Bonds complied with the limitations and requirements set forth in clauses (i)-(iii) of Section 6(b) of the Authority's Resolution. Ms. Doyle recommended that the Bond Committee approve the Underwriters' proposal.

Mr. Baker asked whether the Hospital was satisfied with the interest rates on the Series 2018 Bonds. Mr. Pernice stated that the Hospital was satisfied.

Mr. O'Toole advised the Bond Committee that the proposal was within the parameters established by the Authority's Resolution.

After further discussion, the following Resolution was moved by Mr. Riddle, seconded by Ms. More and unanimously approved by the Bond Committee:

RESOLVED THAT:

1. The Authority shall issue, and the Bond Committee hereby approves the Authority's issuance of, the Delaware Health Facilities Authority Revenue Bonds (Beebe Medical Center Project) Series 2018 in the aggregate principal amount of \$169,870,000 (the "Series 2018 Bonds") pursuant to the Supplemental Indenture No. 7 dated as of December 1, 2018 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), which supplements the Trust Indenture dated as of April 1, 1990 between the Authority and Chase Bank USA, National Association, as previously amended and supplemented.

2. The Authority shall lend the proceeds of the Series 2018 Bonds to the Hospital pursuant to the Eighth Supplemental Loan, Mortgage and Security Agreement dated as of December 1, 2018 (the "Loan Agreement") between the Authority and the Hospital which supplements the Loan, Mortgage and Security Agreement dated as of April 1, 1990 between the Authority and the Hospital, as previously amended and supplemented, for the purposes described in the Authority's Resolution.

3. The Underwriters shall purchase the Series 2018 Bonds pursuant to the 2018 Bond Purchase Agreement.

4. The final maturity date of the Series 2018 Bonds on June 1, 2050 is within fifty (50) years of the date of issuance. The Underwriters' discount shall be as set forth in Section 1 of the 2018 Bond Purchase Agreement, and the maturity schedule with interest rates of the Series 2018 Bonds shall be as set forth in Exhibit A attached thereto. The purchase price for the Series 2018 Bonds shall be \$179,342,477.70. Such terms are hereby approved.

5. The Bond Committee hereby approves the following documents which are hereby authorized to be executed, sealed (as applicable) and delivered in such form and with such changes as the signers thereof shall approve to carry out the intent of this Resolution: the 2018 Bond Purchase Agreement; the Indenture; the Series 2018 Bonds and certificates relating thereto; the Loan Agreement; the Confirmatory Assignment dated as of December 1, 2018 by the Authority to



the Trustee; an Official Statement relating to the Series 2018 Bonds, which shall be substantially in the form available and/or described to the Bond Committee as of commencement of the meeting; the Closing Certificate of the Authority; all documents required or provided for in any thereof; any other agreements, instruments, certificates, documents or writings required or advisable to accomplish the intent of this Resolution; and, after taking under consideration the advice, approval and recommendation for approval of the Authority's Bond Counsel and having determined its advisability, a Tax Compliance Certificate of the Authority and the Hospital applicable to the Series 2018 Bonds (collectively, the "Documents").

6. The Bond Committee hereby acknowledges and approves the following document to be executed by parties other than the Authority in connection with the issuance of the Series 2018 Bonds: a Continuing Disclosure Agreement of the Hospital relating to the Series 2018 Bonds, substantially in the form previously provided to the Bond Committee with such changes as the Chairperson or Vice Chairperson of the Authority may agree to after taking under consideration the advice of the Authority's Counsel or Bond Counsel.

7. Each of the Chairperson, the Vice Chairperson and each of the other officers of the Authority, or any of them, acting alone, is authorized, for and in the name of and on behalf of the Authority, to execute, seal (as applicable) and deliver any and all of the foregoing Documents as well as any other agreements, documents, instruments or certificates required or advisable to accomplish the intent of this Resolution.

There being no further business to come before the meeting, the meeting was adjourned at 2:00 p.m.

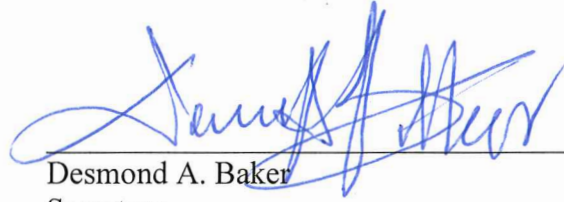
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**CERTIFICATION**

I, Desmond A. Baker, hereby certify that the foregoing is a true and correct copy of the Minutes of a meeting of the Bond Committee of the Delaware Health Facilities Authority held on December 4, 2018.

Date:

12/12/18

  
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Desmond A. Baker  
Secretary